

AUDIT REPORT

TOWN OF COLBERT

JUNE 30, 2013



KERSHAW CPA & ASSOCIATES, PC

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TOWN OF COLBERT, OKLAHOMA
JUNE 30, 2013

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TOWN OF COLBERT, OKLAHOMA
JUNE 30, 2013

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TOWN OF COLBERT, OKLAHOMA
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2013

ELECTED GOVERNING OFFICIALS

<u>NAME</u>	<u>POSITION</u>	<u>TERM EXPIRATION</u>
ROXANNE REED	MAYOR	2013
TERRY BELL	VICE MAYOR	2015
VIRGINIA PARRISH	COUNCIL MEMBER	2013
ANNIE HARRELL	TOWN CLERK	2015
VACANT POSITION	COUNCIL MEMBER	2015
VACANT POSITION	COUNCIL MEMBER	2015

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Colbert, Oklahoma

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the Town of Colbert, Oklahoma, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1. This includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and in accordance with Oklahoma Statutes. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the financial statements in

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order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used, and the reasonableness of significant accounting estimates made, by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinion

The modified cash basis of accounting requires that items, having substantial support in U.S. generally accepted accounting principles, such as capitalizing assets at historical cost and recording depreciation, be recorded in the financial statements. The Town has not maintained accurate capital asset records to support the historical cost of past capital asset purchases and the related depreciation. Documentation supporting historical cost and depreciation was not readily available for our review. The amount by which this departure would affect the assets, net position, and expenses of the Governmental & Business-Type Activities is not readily determinable.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the modified cash basis financial position of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Town of Colbert, Oklahoma, as of June 30, 2013, and the respective changes in modified cash basis financial position and, where applicable, cash flows thereof for the year then ended in conformity with the basis of accounting described in Note 1.

Other Matters

Supplementary and Other Information

The introductory and supplementary sections listed in the accompanying table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the Town. Such additional information has not been subjected to the auditing procedures applied in our audit of the basic financial

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statements, and accordingly, we do not express an opinion or provide any assurance on such information.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 14, 2013, on our consideration of the Town of Colbert's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in compliance with *Government Auditing Standards* in considering Town of Colbert's internal control over financial reporting and compliance.

Basis of Accounting

We draw attention to Note 1 of the financial statements that describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Kershaw CPA & Associates, P.C.
Kershaw CPA & Associates, PC

October 14, 2013

TOWN OF COLBERT, OKLAHOMA
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2013

	Governmental Activities	Business-Type Activities	2013 Total
<u>ASSETS</u>			
<u>Current Assets:</u>			
Cash and cash equivalents	\$ 347,297	\$ 42,190	\$ 389,487
Investments	5,754	-	5,754
Due from Other Funds	-	-	-
Total Current Assets	353,051	42,190	395,240
<u>Restricted Assets:</u>			
Cash, Including Time Deposits	-	675,955	675,955
Total Restricted Assets	-	675,955	675,955
<u>Capital Assets:</u>			
Sewer Improvements	-	-	-
Equipment	-	-	-
Less: Accumulated Depreciation	-	-	-
Total Capital Assets	-	-	-
TOTAL ASSETS	353,051	718,144	1,071,195
<u>LIABILITIES</u>			
<u>Current Liabilities:</u>			
Due to Other Funds	-	-	-
Accounts Payable	13,999	18,778	32,777
Current Portion of Long-term Debt	-	30,000	30,000
Total Current Liabilities	13,999	48,778	62,777
<u>Long-Term Liabilities:</u>			
Due to Depositors	-	30,525	30,525
Notes Payable	-	-	-
Revenue Bonds Payable	-	205,000	205,000
Less: Current Portion of Long-term Debt	-	(30,000)	(30,000)
Total Long-Term Liabilities	-	205,525	205,525
TOTAL LIABILITIES	13,999	254,303	268,302
<u>NET POSITION</u>			
Net Investment in capital assets	-	(205,000)	(205,000)
Restricted for:			
Debt Service	-	260,765	260,765
Other Purposes	-	415,190	415,190
Unrestricted	339,053	(7,113)	331,940
TOTAL NET POSITION	\$ 339,052	\$ 463,842	\$ 802,894

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

TOWN OF COLBERT, OKLAHOMA
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expenses)/ Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Fire Department	\$ 99,098	\$ -	\$ 4,484	\$ -	\$ (94,613)
Police Department	218,058	118,908	-	-	(99,149)
EMS Department	362,874	382,364	-	-	19,491
Street & Alley	54,615	-	-	-	(54,615)
General Government	131,317	-	-	-	(131,317)
Total Governmental Activities	865,960	501,273	4,484	-	(360,203)
Business-type activities:					
Water, Sewer & Sanitation	697,384	750,949	-	-	53,564
Total Business-type Activities	697,384	750,949	-	-	53,564
Total	\$ 1,563,344	\$ 1,252,221	\$ 4,484	\$ -	\$ (306,638)

Changes in Net Position:

	Governmental Activities	Business-Type Activities	Total
Net (expense)/revenue	\$ (360,203)	\$ 53,564	\$ (306,638)
General revenues:			
Taxes:			
Sales Tax	282,301	-	282,301
Use Tax	11,849	-	11,849
Tobacco Tax	3,724	-	3,724
Franchise Tax	37,565	-	37,565
Intergovernmental:			
Alcoholic Beverage Tax	7,505	-	7,505
Gasoline Excise Tax	2,135	-	2,135
Motor Vehicle Tax	8,187	-	8,187
Licenses & Permits	600	-	600
Rental Income	1,500	-	1,500
Investment Income	285	747	1,033
Miscellaneous	42,120	-	42,120
Transfers - Internal Activity	-	(21,282)	(21,282)
Total general revenues & transfers	397,771	(20,535)	377,236
Changes in net position	37,569	33,029	70,598
Net position - beginning	301,937	436,158	738,095
Net position - prior year adjustment	(453)	(5,346)	(5,798)
Net position - ending	\$ 339,053	\$ 463,842	\$ 802,895

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

TOWN OF COLBERT, OKLAHOMA
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2013

	General Fund	EMS Fund	Municipal Court Fund	Fire Department Fund	Street Project Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 111,809	\$ 53,023	\$ 1,252	\$ 106,885	\$ 68,438	\$ 5,892	\$ 347,297
Investments	-	-	-	-	5,754	-	5,754
Due from Other funds	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 111,809</u>	<u>\$ 53,023</u>	<u>\$ 1,252</u>	<u>\$ 106,885</u>	<u>\$ 74,191</u>	<u>\$ 5,892</u>	<u>\$ 353,051</u>
LIABILITIES & FUND EQUITY							
LIABILITIES:							
Due to Other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	4,816	4,489	-	2,982	1,712	-	13,999
TOTAL LIABILITIES	<u>4,816</u>	<u>4,489</u>	<u>-</u>	<u>2,982</u>	<u>1,712</u>	<u>-</u>	<u>13,999</u>
FUND BALANCES:							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	72,479	-	72,479
Unassigned	106,992	48,535	1,252	103,903	-	5,892	266,574
TOTAL FUND BALANCES	<u>106,992</u>	<u>48,535</u>	<u>1,252</u>	<u>103,903</u>	<u>72,479</u>	<u>5,892</u>	<u>339,053</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 111,809</u>	<u>\$ 53,023</u>	<u>\$ 1,252</u>	<u>\$ 106,885</u>	<u>\$ 74,191</u>	<u>\$ 5,892</u>	

Reconciliation to Statement of Net Position:

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities of \$0, net of accumulated depreciation
of \$0, are not financial resources and, therefore, are not reported in the funds.

-

Some liabilities, including capital debt obligations payable, are not due and payable in the current
period and therefore are not reported in the funds.

-

Net Position of Governmental Activities

\$ 339,053

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

TOWN OF COLBERT, OKLAHOMA
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
 GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	General Fund	EMS Fund	Municipal Court Fund	Fire Department Fund	Street Project Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:							
Taxes:							
Sales Tax	\$ 282,301	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 282,301
Use Tax	11,849	-	-	-	-	-	11,849
Tobacco Tax	3,724	-	-	-	-	-	3,724
Franchise Tax	37,565	-	-	-	-	-	37,565
Intergovernmental:							
Alcoholic Beverage Tax	7,505	-	-	-	-	-	7,505
Gasoline Excise Tax	2,135	-	-	-	-	-	2,135
Motor Vehicle Tax	8,187	-	-	-	-	-	8,187
Grants	-	-	-	4,484	-	-	4,484
Fines & Forfeitures	-	-	118,908	-	-	-	118,908
Charges for Services	-	382,364	-	-	-	-	382,364
Licenses & Permits	600	-	-	-	-	-	600
Rental Income	1,500	-	-	-	-	-	1,500
Miscellaneous Income	28,821	11,671	-	1,627	-	-	42,120
Interest Income	52	24	11	95	99	5	285
TOTAL REVENUES	384,240	394,059	118,919	6,207	99	5	903,528
EXPENDITURES:							
Fire Department:							
Maintenance & Operations	-	-	-	57,577	-	-	57,577
Police Department:							
Personal Services	105,393	-	-	-	-	-	105,393
Maintenance & Operations	112,609	-	55	-	-	-	112,664
EMS Department:							
Personal Services	-	233,301	-	-	-	-	233,301
Maintenance & Operations	-	129,573	-	-	-	-	129,573
Street & Alley:							
Maintenance & Operations	-	-	-	-	45,560	-	45,560
General Government:							
Personal Services	53,924	-	-	-	-	-	53,924
Maintenance & Operations	27,414	-	-	-	-	-	27,414
Debt Service	-	-	-	-	-	-	-
Capital Outlay	49,978	-	-	41,521	9,055	-	100,554
TOTAL EXPENDITURES	349,319	362,874	55	99,098	54,615	-	865,960
EXCESS OF REVENUES OVER (UNDER)							
EXPENDITURES	34,921	31,186	118,865	(92,891)	(54,516)	5	37,569
OTHER FINANCING SOURCES (USES):							
Operating Transfers In	120,000	-	-	94,100	23,525	-	237,625
Operating Transfers Out	(117,625)	-	(120,000)	-	-	-	(237,625)
Capital Debt Proceeds	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	2,375	-	(120,000)	94,100	23,525	-	-
NET CHANGES IN FUND BALANCES	37,295	31,186	(1,135)	1,209	(30,991)	5	37,569
FUND BALANCE - BEGINNING OF YEAR	70,019	17,565	2,387	102,609	103,470	5,887	301,937
FUND BALANCE - PRIOR YEAR ADJUSTMENT	(322)	(216)	-	85	-	-	(453)
FUND BALANCE - END OF YEAR	\$ 106,992	\$ 48,535	\$ 1,252	\$ 103,903	\$ 72,479	\$ 5,892	\$ 339,053

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

TOWN OF COLBERT, OKLAHOMA
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
 GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Reconciliation to Statement of Activities:

Net change in fund balances - total governmental funds	\$ 37,569
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Amounts reported for governmental activities in the Statement of Activities are different because:

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:

Capital debt obligation principal payments	-
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Issuance of new capital debt obligations is recorded as capital debt proceeds in the governmental funds, but the proceeds create long-term liabilities in the Statement of Net Position:

Capital Debt Proceeds	-
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Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	-
Depreciation expense	-

	<hr style="border: none; border-top: 1px solid black;"/> \$ 37,569
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See Accountant's Audit Report & Notes Which Accompany These Financial Statements

TOWN OF COLBERT, OKLAHOMA
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUND
JUNE 30, 2013

	Colbert Public Utilities Authority Enterprise Fund June 30, 2013
<u>ASSETS</u>	
Current Assets:	
Cash and cash equivalents	\$ 42,190
Restricted cash and cash equivalents	675,955
Due from other funds	-
Total Current Assets	718,144
Noncurrent Assets:	
Land and construction-in-progress	-
Other capital assets, net of accumulated depreciation	-
Total Noncurrent Assets	-
TOTAL ASSETS	718,144
<u>LIABILITIES & FUND EQUITY</u>	
Current Liabilities:	
Due to Other funds	-
Accounts Payable	18,778
Current Portion of Long-term Debt	30,000
Total Current Liabilities	48,778
Noncurrent Liabilities:	
Due to Depositors	30,525
Notes Payable	-
Revenue Bonds Payable	205,000
Less: Current Portion of Long-term Debt	(30,000)
Total Noncurrent Liabilities	205,525
TOTAL LIABILITIES	254,303
NET POSITION:	
Net investment in capital assets	(205,000)
Restricted for debt service	260,765
Restricted for capital improvements	415,190
Unrestricted	(7,113)
TOTAL NET POSITION	\$ 463,842

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

TOWN OF COLBERT, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Colbert Public Utilities Authority Enterprise Fund June 30, 2013
<u>OPERATING REVENUES:</u>	
Charges for services:	
Water Sales	\$ 700,941
Miscellaneous Income	50,008
TOTAL OPERATING REVENUES	750,949
<u>OPERATING EXPENSES:</u>	
Personal Services	200,453
Maintenance & Operations	246,821
Capital Outlay	236,625
TOTAL OPERATING EXPENSES	683,899
NET OPERATING INCOME (LOSS)	67,049
NON-OPERATING REVENUES (EXPENSES)	
Interest Income	747
Interest Expense	(13,485)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(12,738)
NET INCOME (LOSS) BEFORE CONTRIBUTIONS & TRANSFERS	54,312
Capital Contributions	-
Transfers in	-
Transfers out	(21,282)
CHANGE IN NET POSITION	33,029
TOTAL NET POSITION - BEGINNING	436,158
TOTAL NET POSITION - PRIOR YEAR ADJUSTMENT	(5,346)
TOTAL NET POSITION - ENDING	\$ 463,842

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

TOWN OF COLBERT, OKLAHOMA
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>June 30, 2013</u>
<u>Cash Flows from Operating Activities:</u>	
Receipts from Customers	\$ 750,949
Payments to Suppliers & Laborers for Goods & Services	(688,152)
Receipts of Customer Utility Deposits, Net of Refunds	1,481
Net Cash Provided (Used) by Operating Activities	<u>64,278</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>	
Transfers to other funds	(21,282)
Transfers from other funds	-
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(21,282)</u>
<u>Cash Flows from Capital & Related Financing Activities:</u>	
Capital grant received for construction of capital assets	-
Additions to Capital Assets	-
Proceeds from sale of Capital Assets	-
Loan Proceeds received	-
Principal paid on Notes/Leases Payable	-
Principal paid on Revenue Bonds	(25,000)
Interest paid	(13,485)
Net Cash Provided (Used) by Capital & Related Financing Activities	<u>(38,485)</u>
<u>Cash Flows from Investing Activities:</u>	
Interest Income	747
Net Cash Provided (Used) by Investing Activities	<u>747</u>
Net Increase (Decrease) in Cash and Cash Equivalents	5,258
Cash & Cash Equivalents, Beginning of Year	712,619
Cash & Cash Equivalents, Prior Year Adjustment	268
Cash & Cash Equivalents, End of Year	<u><u>\$ 718,144</u></u>
<u>Reconciliation of operating income (loss) to net cash provided operating activities:</u>	
Operating Income (Loss)	\$ 67,049
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	
Depreciation	-
(Increase)Decrease in Due from Other Funds	-
Increase(Decrease) in Due to Depositors	1,481
Increase(Decrease) in Accounts Payable	(4,252)
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 64,278</u></u>

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

TOWN OF COLBERT, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 1.C., these financial statements are presented on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) established by the Governmental Accounting Standards Board (GASB). These modified cash-basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the modified cash basis of accounting.

A. FINANCIAL REPORTING ENTITY

The Town's financial reporting entity is comprised of the following:

Primary Government:	Town of Colbert
Blended Component Units:	Colbert Public Utilities Authority (CPUA)

PRIMARY GOVERNMENT

The Town of Colbert, Oklahoma (the Town) operates under Town Board of Trustees form of government under Title 11 of the Oklahoma Statutes. The Town provides the following services to its citizens; public safety (police and fire), streets and highways, sanitation, culture and recreation, utilities and general administrative services.

The accompanying financial statements present the Town and its component units, entities for which the Town is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the Town's operations. The Colbert Public Utilities Authority (CPUA) serves all the citizens of the Town and is governed by a board appointed by the Town's elected board of trustees. The CPUA has as its purpose to develop, construct, plan, establish, install, enlarge, improve, maintain, equip, operate, control, and regulate utility facilities whether water, sewage, or other forms or types of public and municipal services within and without the corporate boundaries of the Town of Colbert. The CPUA is reported as the proprietary fund in the financial statements.

TOWN OF COLBERT, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

BLENDED COMPONENT UNITS

A blended component unit is a separate legal entity for which the elected officials of the primary government are financially accountable and that meets the blended component unit criteria. A blended component unit meets at least one of the following criteria: (a) the blended component unit's governing body is the same or substantially the same as the Town Council, and there is a financial benefit or burden relationship with the Town, or Town management has operational responsibility for the component unit; (b) the component unit provides services entirely or almost entirely to the Town; or (c) the component unit's debt is expected to be repaid entirely or almost entirely with resources of the Town. The blended component unit's funds are blended into those of the Town by appropriate fund type to constitute the primary government presentation. Based on the foregoing criteria, the financial statements of the following component units are blended into the accompanying financial statements: Colbert Public Utilities Authority. The CPUA is a separate legal entity from the Town, and is not governed by the same constitutional and statutory requirements applicable to the Town. However, for financial reporting purposes the Authority reports revenues, expenditures and related assets and obligations using the same basis of accounting as the Town.

B. BASIS OF PRESENTATION

The Town's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information. Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charges to external parties for goods or services.

TOWN OF COLBERT, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Fund Financial Statements

The accounts of the Town are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are summarized by providing a separate set of self-balancing accounts which include its assets, liabilities, fund equity, cash receipts, cash disbursements, and certain accruals. The Town maintains a separate bank account for each fund. All bank accounts are at institutions, which are FDIC insured.

Governmental Fund Types

The General Fund is the general operating fund of the Town. It accounts for all financial resources of the general government, except those required to be accounted for in other funds. These other funds are the special revenue funds.

Proprietary Fund Types

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The costs (expenses, including depreciation) of providing services, such as water or medical services, on a continuing basis, are financed through user charges, paid by the general public. Proprietary fund types utilize the modified cash basis of accounting.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe what transactions or events are recorded within the various financial statements. Basis of accounting refers to when and how transactions or events are recorded, regardless of the measurement focus applied.

Measurement Focus

In the government-wide State of Net Position and Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, subsequently defined in item (b).

In the fund financial statements, the current financial resources measurement focus or the economic resources measurement focus, as applied to the modified cash basis of accounting, is used as appropriate:

TOWN OF COLBERT, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

- a. All governmental funds utilize a current financial resources measurement focus within the limitations of the modified cash basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an economic resources measurement focus within the limitations of the modified cash basis of accounting. The accounting objectives of this measurement focus are the determinations of operating income, changes in net position (or cost recovery), net financial position, and cash flows. All assets, deferred outflows, liabilities, and deferred inflows (whether current or noncurrent or financial or nonfinancial) associated with their activities are generally reported within the limitations of the modified cash basis of accounting.

Basis of Accounting

The financial statements are presented on a modified cash basis of accounting, which is a basis of accounting other than GAAP as established by GASB. This basis of accounting involves modifications to the cash basis of accounting to report in the statements of net position cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances include investments, capital assets and related depreciation, and short-term and long-term liabilities arising from cash transactions or events.

This modified cash basis of accounting differs from GAAP primarily because certain assets and their related revenues (such as accounts receivable and revenue billed or provided services not yet collected and other accrued revenue and receivables) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid and other accrued expenses and liabilities) are not recorded in these financial statements. In addition, other economic assets, deferred outflows, liabilities, and deferred inflows that do not arise from a cash transaction or event are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value.

TOWN OF COLBERT, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

If the Town utilized the basis of accounting recognized as generally accepted in the United States, the fund financial statements for governmental funds would use the modified accrual basis of accounting, and the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

D. FINANCIAL POSITION

Cash and cash equivalents

The statement of cash flows for proprietary fund types explains the change in cash and cash equivalents during the fiscal period. For purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

Budgetary Information

Annual budgets are adopted for all governmental funds and proprietary funds. All unencumbered annual appropriations lapse a fiscal yearend. Actual expenditures within a fund may not exceed the adopted budget.

Prior to June of each year, requests for appropriations are submitted to the Town clerk so that a budget may be prepared. The Board of Trustees holds a public hearing prior to June 15, and a final budget is formally approved and adopted by the Town council in July, and submitted to the Oklahoma County Excise Board.

The appropriated budget is prepared for the general fund by function. The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is the object classification level. Object classifications include personnel services, maintenance and operations, capital outlay and debt service.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase order, contracts) outstanding at yearend are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

TOWN OF COLBERT, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Budgets are prepared on the budget basis of accounting, which demonstrates compliance with cash basis and budget laws of the State of Oklahoma, and is another comprehensive basis of accounting.

Capital Assets

Expenditures for property and equipment of governmental funds and proprietary funds are recorded as fund expenditures; however, no detail capital asset records are maintained for such assets still in service. Therefore, capital assets of the Governmental and Business-Type Activities cannot be presented.

Equity Classification

Equity is classified as net position and displayed in three components:

1. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets and adjusted for any deferred inflows and outflows of resources attributable to capital assets and related debt.
2. Restricted – Consists of restricted assets reduced by liabilities and deferred inflows or resources related to those assets, with restriction constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
3. Unrestricted – Net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

It is the Town's policy to first use restricted net resources prior to the use of unrestricted net resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available.

TOWN OF COLBERT, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Fund Balance

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Town classifies governmental fund balances as follows:

- Non-spendable - Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted - Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- Assigned - Includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Board.
- Unassigned - Includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The Town uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the Government would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The Government does not have a formal minimum fund balance policy.

The purpose of each major special revenue fund and revenue source is listed below:

<u>Major Special Revenue Fund</u>	<u>Revenue Source</u>
EMS Fund	Charges for Services
Municipal Court Fund	Fines & Forfeitures
Fire Department Fund	Grants

TOWN OF COLBERT, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Donations

Street Project Fund

Miscellaneous

Revenues, Expenditures and Expenses

Property Tax

For the year ended June 30, 2013, the Town levied no property tax. Under State law, municipalities are limited in their ability to levy a property tax. Such tax may only be levied to repay principal and interest on general obligation bonded debt approved by voters and court-assessed judgments.

Expenditures/Expenses

For purposes of the combined operating statements, expenditures/expenses are classified as follows:

Governmental Fund Types - By Character: Current (further
classified by activity)
Capital Outlay

Proprietary Fund Types - By Operating and Non-Operating

Governmental fund types report expenditures of financial resources. Proprietary fund types normally report expenses relating to use of economic resources.

Interfund Transfers

During the course of normal operations, the Town has transactions between funds including expenditures and transfers of resources to provide services, purchase assets and service debt. Transactions which are normal and recurring between funds are recorded as operating transfers. Transfers of equity between funds (residual equity transfers) are recorded as a change in fund balance.

Memorandum Totals

The "Memorandum Only" captions above the total columns mean that totals are presented for overview information purposes only.

TOWN OF COLBERT, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

As a local government unit, the Town is subject to various federal, state, and local laws and contractual regulations. In accordance with Government Auditing Standards, the auditor has issued a report on his consideration of the District's internal control over financial reporting and tested its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in compliance with Government Auditing Standards and should be read in conjunction with this report in considering the results of the audit.

Deficit Fund Balance or Retained Earnings

As indicated in the financial statements, there are no fund balance or retained earnings deficits for the District for this fiscal year.

NOTE 3 - DEPOSITS, INVESTMENTS AND COLLATERAL

Custodial Credit Risk

At June 30, 2013, the Town held deposits of approximately \$1,071,195 at financial institutions. The Town's cash deposits, including interest-bearing certificates of deposit are covered by Federal Depository Insurance (FDIC) or direct obligation of the U.S. Government insured or collateralized with securities held by the Town or by its agent in the Town's name.

Investment Interest Rate Risk

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Investment Credit Risk

The Town has no policy that limits its investment choices other than the limitation of state law as follows:

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- b. Certificates of deposits or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of

TOWN OF COLBERT, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

- deposit or savings accounts in out-of-state financial institutions.
- c. With certain limitation, negotiable certificates of deposit, prime bankers' acceptances, prime commercial paper and repurchase agreements with certain limitations.
 - d. County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.
 - e. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
 - f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs (a.-d.).

NOTE 4 - RESTRICTED ASSETS

The Colbert Utilities Authority had revenue bonds payable outstanding and notes payable as of June 30, 2013. The bond indenture and loan agreements require monies be set aside. As of June 30, 2013, the Town has reserves of \$334,999.

NOTE 5 - CAPITAL ASSETS

The governmental and proprietary fund type operations do not keep detailed capital assets records. These assets would include public domain infrastructure such as roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems. Capital assets include furniture, fixtures and equipment. No depreciation expense has been provided on such assets.

NOTE 6 - LONG-TERM DEBT

GOVERNMENT FUND DEBT

The Town currently does not have any governmental fund debt.

TOWN OF COLBERT, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2013:

	Balance at June 30, 2012	Additions	Deductions	Balance at June 30, 2013
Notes Payable	\$ -	\$ -	\$ -	\$ -
Total Long-Term Debt	\$ -	\$ -	\$ -	\$ -

Debt Service Requirements to Maturity

Year Ending June 30,	Capital Lease Payable Principal	Interest	Total
2014	\$ -	\$ -	\$ -
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019-2023	-	-	-
Total	\$ -	\$ -	\$ -

COLBERT PUBLIC UTILITIES AUTHORITY

Revenue Bonds Payable

Colbert Public Utilities Authority Utility System Bonds Series 1999 due in annual installments of \$20,000 to \$40,000 through August 2018 with interest payable semi-annually at 6.2%. Collateral for this obligation is system revenues and assets.

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2013:

	Balance 7/1/2012	Additions	Deductions	Balance 6/30/2013
Revenues Bonds Payable	\$ 230,000	\$ -	\$ (25,000)	\$ 205,000
	\$ 230,000	\$ -	\$ (25,000)	\$ 205,000

TOWN OF COLBERT, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Debt Service Requirements to Maturity

Year Ending June 30,	Revenue Bonds Payable		
	Principal	Interest	Total
2014	\$ 30,000	\$ 11,780	\$ 41,780
2015	30,000	9,920	39,920
2016	35,000	7,905	42,905
2017	35,000	5,735	40,735
2018	35,000	3,565	38,565
2019-2023	40,000	1,240	41,240
Total	<u>\$ 205,000</u>	<u>\$ 40,145</u>	<u>\$ 245,145</u>

NOTE 7 - FUND EQUITY

As described in Note 1 above, equity is classified as net position and displayed in three components:

1. Net investment in capital assets
2. Restricted
3. Unrestricted

The restricted amounts include assets related to Note 4 above.

Governmental Fund Balances

Town of Colbert
Disclosure of Fund Balances Reported on Balance Sheet
For Fiscal Year Ending June 30, 2013

	General Fund	EMS Fund	Municipal Court Fund	Fire Dept. Fund	Street Project Fund	Other Governmental Funds	Total Governmental Funds
FUND BALANCES:							
Assigned	\$ -	\$ -	\$ -	\$ -	\$ 72,479	-	72,479
Unassigned	106,992	48,535	1,252	103,903	-	5,892	266,574
Total	<u>\$ 106,992</u>	<u>\$ 48,535</u>	<u>\$ 1,252</u>	<u>\$ 103,903</u>	<u>\$ 72,479</u>	<u>\$ 5,892</u>	<u>\$ 339,053</u>

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Litigation

According to the City Attorney, the Town currently has no pending litigation.

Federally Assisted Programs

In the normal course of operations, the Town participates in various federal or state/loan programs from year to year. The grant/loan programs are often subject to additional audits by agents of the

TOWN OF COLBERT, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. Any liability of reimbursement that may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Compensated Absences - Compensated absences have not been determined because the Town prepares its financial statements on the cash basis of accounting. According to generally accepted accounting principles the liability for compensated absences should be accrued.

NOTE 9 - RISK MANAGEMENT

The Town and its public trusts are exposed to various risks of loss related to torts; theft or, damage to, or destruction of assets; errors and omissions; injuries to employees; employee health and life; and natural disasters. These risks are managed by securing commercial insurance for all risks. Management believes such insurance coverage is sufficient to preclude any significant uninsured losses. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

NOTE 10 - SUBSEQUENT EVENTS

The Town did not have any subsequent events through October 14, 2013, which is the date the financial statements were issued, for events requiring recording or disclosure in the financial statements for the year ending June 30, 2013.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees
Town of Colbert, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and in accordance with Oklahoma Statutes, the modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Colbert, Oklahoma, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles, which collectively comprise the Town of Colbert, Oklahoma's basic financial statements, and have issued our report thereon dated October 14, 2013, which was qualified for the improper capital asset recordkeeping.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Colbert's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Colbert's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Colbert's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material

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weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control described in the accompanying Schedule of Findings that we consider to be significant deficiencies. Those deficiencies are listed as Items 13-01 and 13-02.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Colbert's financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Town of Colbert's Response to Findings

Town of Colbert's response to the findings identified in our audit is described in the accompanying Schedule of Findings. Town of Colbert's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

This report is intended solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kershaw CPA & Associates, P.C.

Kershaw CPA & Associates, PC

October 14, 2013

TOWN OF COLBERT, OKLAHOMA
SCHEDULE OF FINDINGS
JUNE 30, 2013

SIGNIFICANT DEFICIENCIES OF INTERNAL CONTROL

Item 13-01: Capital Asset Recordkeeping

Criteria: Internal control refers to the methods and procedures used to provide reasonable assurance regarding the achievement of objectives in the following categories: Safeguarding assets, Ensuring validity of financial records and reports, Promoting adherence to policies, procedures, regulations and laws, and Promoting effectiveness and efficiency of operations. Internal control also refers to how an entity processes, summarizes and records the financial transactions. In general terms, internal controls are simply good business practices.

Condition: The Town does not have strong internal controls in place for ensuring validity of financial records and reports, and in some instances is virtually non-existent.

Cause/Effect: Due to the weak internal control system, only minimal capital assets records have been maintained.

Recommendation: We recommend the governing body and management take appropriate action to direct the staff to update and maintain these records to meet its public accountability responsibility in managing these Town assets.

Response: Previous management has left the accounting records in disarray resulting in lack of documentation to maintain such records.

Item 13-02: Segregation of Duties

Criteria: A good system of internal control requires a proper segregation of duties to prevent one person from being in a position to authorize, execute, and record the same transaction.

Condition: Due to the size of the Town's major areas of internal control, that would be prevalent in a larger Town, such segregation of duties is not available for this size operation. Duties are concentrated in the hands of a few individuals, who are responsible for all phases of the accounting functions. Because of this lack of division of responsibility, internal control is determined to be weak, and in some instances, non-existent.

TOWN OF COLBERT, OKLAHOMA
SCHEDULE OF FINDINGS
JUNE 30, 2013

Cause/Effect: Due to the limited number of personnel, a breach of internal controls could occur and not be detected in the normal course of operations.

Recommendation: The Board should continue to be actively involved in the operations of the Town.

Response: The Board continues to be actively involved in the operations of the Town.

COMPLIANCE FINDINGS:

None

TOWN OF COLBERT, OKLAHOMA
 COMBINING BALANCE SHEET - MODIFIED CASH BASIS
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2013

	<u>SPECIAL REVENUE FUNDS</u> Forfeitures & Seizures Fund	Total Nonmajor Governmental Funds
<u>ASSETS</u>		
Cash and cash equivalents	\$ 5,892	\$ 5,892
Investments	-	-
Due from General Fund	-	-
Due from other governments	-	-
TOTAL ASSETS	\$ 5,892	\$ 5,892
<u>LIABILITIES & FUND EQUITY</u>		
LIABILITIES:		
Due to Other Governments	\$ -	\$ -
Payroll Taxes	-	-
TOTAL LIABILITIES	-	-
FUND BALANCES:		
Unassigned	5,892	5,892
TOTAL FUND BALANCES	5,892	5,892
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,892	\$ 5,892

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

TOWN OF COLBERT, OKLAHOMA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>SPECIAL REVENUE FUNDS</u>	<u>Total</u>
	<u>Forfeitures & Seizures Fund</u>	<u>Nonmajor Governmental Funds</u>
<u>REVENUES:</u>		
Taxes:		
Sales Tax	\$ -	\$ -
Franchise Tax	-	-
Intergovernmental:		
Alcoholic Beverage Tax	-	-
Gasoline Excise Tax	-	-
Motor Vehicle Tax	-	-
Grants	-	-
Fines & Forfeitures	-	-
Miscellaneous Income	-	-
Interest Income	5	5
TOTAL REVENUES	<u>5</u>	<u>5</u>
<u>EXPENDITURES:</u>		
Police Department:		
Personal Services	-	-
Maintenance & Operations	-	-
Capital Outlay	-	-
Debt Service - Principal & Interest	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER)		
EXPENDITURES	5	5
<u>OTHER FINANCING SOURCES (USES):</u>		
Operating Transfers In	-	-
Operating Transfers Out	-	-
Capital Debt Proceeds	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	5	5
FUND BALANCE - BEGINNING OF YEAR	5,887	5,887
FUND BALANCE - PRIOR YEAR ADJUSTMENT	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 5,892</u></u>	<u><u>\$ 5,892</u></u>

See Accountant's Audit Report & Notes Which Accompany These Financial Statements